

MONDRIAN INVESTMENT PARTNERS
INTERNATIONAL EQUITY: MSCI EAFE BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Mondrian	3.34%	6.38%	25.81%		n/a
MSCI EAFE	2.75%	3.76%	24.28%	23.42%	11.81%

COUNTRY ALLOCATION COMPARISON

<u>Over-weight</u>	<u>Mondrian</u>	<u>EAFE</u>	<u>Under-weight</u>	<u>Mondrian</u>	<u>EAFE</u>
Australia	9.88%	5.29%	Japan	14.07%	24.00%
Spain	8.22%	3.88%	Switzerland	0.00%	6.98%
France	13.58%	9.85%	Sweden	0.00%	2.33%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The portfolio outperformed the index in August. This was down to strong stock selection, particularly in Italy and Australia and in the consumer discretionary, consumer staples and financials sectors. The underweight exposure to the Japanese yen also benefited performance.

The main highlights of the strategy being adopted for the account are: -

- A strong value-stock orientation
- Underweight position in the overvalued Japanese market
- Overweight position in the undervalued Australasian markets.
- Defensive currency hedge out of sterling.

MANAGER STYLE SUMMARY

Mondrian (formerly Delaware International) employs a top-down/bottom-up approach, with focus on security selection. The firm identifies attractive investments based on their fundamental, long-term flow of income. Dividend yield and future growth prospects are critical to the decision making process. The portfolio is expected to be fairly concentrated (40-60 securities), with a value bias. As such, we can expect the portfolio characteristics to exhibit low P/B, low P/E and high dividend yield ratios relative to the market.

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PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Index	Mondrian	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		52		40	60	ok
B5. Normal Regional Exposures:						ok
United Kingdom		24%		0%	45%	ok
Europe ex U.K.		42%		0%	75%	ok
Japan		14%		0%	45%	ok
Pacific ex Japan		15%		0%	40%	ok
Non-Index Countries		3%		0%	20%	ok
Cash		2%		0%	5%	ok
Total		100%				
B6. Normal Portfolio Characteristics						
Capitalization	56,241.20	63658.8	113%	25%	100%	check
Price/Book Value	2.3	2.5	109%	50%	125%	ok
Price/Earnings (Trailing)	15.5	14.1	91%	50%	100%	ok
Price/Cash Flow	9.4	7.7	82%	50%	100%	ok
Dividend Yield	2.5	3.3	132%	100%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Annual turnover		13%			40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B6. Capitalization: Above Capitalization limit

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained:	Number of Accounts:	None	Total Market Value (\$m):
Lost:	Number of Accounts:	None	Total Market Value (\$m):
	Reason(s):		